



Staff Report

DISCUSSION AND DIRECTION ON THE PROPOSED FY 2010 AND FY 2011 BUDGET CORRECTION PLAN

Honorable Mayor and Council Members:

Summary

Municipalities throughout the State have been facing unprecedented difficulties in balancing their budgets due to recessionary pressures. Belmont is not an exception to this phenomenon.

The purpose of tonight's discussion is to orient City Council to the nature and cause of Belmont's budget deficit.

Staff will also introduce and explain a series of revenue and expenditure strategies that can be the basis for a correction plan needed to close a \$1.3 million structural deficit, which is present now and will continue into the foreseeable future, if left unaddressed.

At the close of the discussion, City Council will be asked to provide staff with any direction related to those strategies or additional staff research the City Council may wish to have performed and continue consideration of the Proposed Budget Correction Plan to the March 23rd Council meeting.

Background

Consistent with the City's financial policies, Belmont has a history of proactively addressing budget shortfalls to maintain reasonable financial position. Belmont has responded to both local economic declines and State grabs with a series of budget corrections in recent years including a \$1.3 million package in FY 2003, a \$1.5 million package in FY 2005, and most recently a \$0.9 million package in FY 2010.

As indicated above, last June, as part of the FY 2010 Budget, the City Council adopted a Resolution implementing a 5% Correction Plan. The 5% Correction Plan was intended to address the City's revenue shortfalls caused from the negative economic impact of the recession compounded by the State's sustained takeaway of local government revenues. The implementation of these budget correction strategies has not been easy, but the City is in a stronger position for it.

Regrettably, beginning last fall, the City's Budget was negatively impacted by what many pundits are now calling the "Great Recession," which eroded revenues more rapidly and to a greater extent than predicted.

The negative news began with the receipt of an alarmingly poor sales tax result for the quarter ended June 30. This news was followed by a series of other revenue declines, including Transient Occupancy Tax, Motor Vehicle License Fees, Gas Tax and VLF in Lieu, the latter of which was unprecedented.

Addressing the growing revenue problem, on November 23, 2009, at the request of the Finance Department, the City Manager issued the Fiscal Year 2010 Budget Watch to reaffirm a series of directives established in 2008. This included the preservation of vacancies, the conservative management of expenditure budgets and the monitoring of revenues, in anticipation of a negative third quarter sales tax result.

On December 8, 2009, the Finance Department requested the City Manager take further action which resulted in the issuance of the FY 2010 Mid-Year Review/FY 2011 Budget Directives. That action required the departments to develop a 7.5% Budget Correction Plan as a strategy to address the declining revenues. Similar to previous budget reduction efforts, this involved all departments with the exceptions of the Belmont Fire Protection District, fully funded grant activities, pass-through costs and capital projects. The 7.5% reduction was allocated to departments based on their percentage of direct costs (discretionary), which includes personnel and supplies and services. The City Manager instructed the departments to prepare correction strategies following the principles below that were adopted by City Council as part of the FY 2005 and FY 2010 correction efforts.

City of Belmont Budget Correction Plan Principles

Principles

- Budget correction strategies will be developed in accordance with Council adopted financial policies.
- Consistent with the ranking process, budget correction strategies will be prioritized in the following order:
 1. Proposals to raise existing revenues or implement new sources of revenues will be given first priority for implementation; and,
 2. Reduced or eliminated service levels will be given second priority for implementation.

Most recently, the City Council met individually with staff to discuss the projected revenue shortfalls and the potential strategies to address the problem.

Staff also met several times with the City's Labor Groups to inform them of their nature of the budget deficit and exchange ideas for addressing the problem.

Discussion

Staff has estimated the decline in General Fund revenues at \$1.3 million for FY 2010.

The purpose of this evening's discussion is to introduce the 7.5% Proposed Budget Correction Plan to the City Council. The following topics will be covered:

- General Fund Economic Impacts-Estimated Revenue Shortfall (Schedule A)
- Department Proposed Revenue Budget Correction Strategies (Schedule B)
- Department Proposed Expenditure Budget Correction Strategies (Schedule C)
- Entity-wide Proposed Strategies (Schedule D)
- Common Operational Strategies Deployed by Other Agencies (Attachment B)
- Concluding Actions
 - Set adoption of the Proposed Budget Correction Plan – March 23, 2010

The Department Proposed Strategies provide \$2 million in reductions and transfers and \$0.47 million in new/increased revenues over the remainder of FY 2010 and FY 2011, far exceeding the \$1.3 million estimated necessary to address the General Fund revenue shortfall. The rationale behind this approach was to provide the City Council with a menu of options from which to choose, thereby giving greater flexibility in selecting a package for final adoption which best reflects community interests. Furthermore, any strategies adopted in excess of the target correction amount can be used to rebuild reserves. Also, should the City's financial picture further deteriorate, any unselected options could be used to address an additional deficit. For instance, over the course of the next few months, staff will be developing the FY 2011 Budget and it may become necessary to use some of these strategies to balance should the revenue picture continue to worsen.

Unlike previous correction efforts, the strategies included herein have far more detrimental consequences to delivering services than in the past. Staff has briefly summarized in the report the nature of these consequences by department. In addition to the written statements, staff will be able to augment the statements and will be available to respond to questions from Council.

It is important to note that not all of the strategies can be implemented unilaterally or immediately and may require additional actions, separate from adopting this correction plan, in order to implement. Where this is the situation, staff has made explanatory notes identifying what additional action is needed.

The strategies adopted by Council on March 23rd will be carried forward into the FY 2011 Budget process and continue into the foreseeable future until the revenue outlook has improved.

At this time, staff is not recommending the budget be amended for potential State adverse actions. Staff will return with a separate correction action, if needed, once the picture has become clearer on the State's course of action and its impacts to the City.

There is no legal or policy requirement for the City Council to act now on the Proposed Budget Correction Plan. If left unattended, the problem will simply get larger, and therefore, harder to solve. This is the approach the State has taken and it has not worked.

Attachment B includes other strategies that could be pursued as part of a budget correction effort. They are not part of the proposed plan, but are provided for informational purposes only. If directed by Council, staff could perform further analysis on these strategies. These strategies include examples of common budget balancing efforts taken by other communities in San Mateo County.

General Plan/Vision Statement

The budget strategies developed as part of the 7.5% Correction Plan were designed with the intent to maintain as much of the community's vision as possible.

Fiscal Impact

At this point, there is no fiscal impact from this report. However, adoption of a budget correction plan will have positive long-term benefits to the City. The Council will be asked to adopt the Proposed Budget Correction Plan at their March 23rd meeting.

Public Contact

Posting of City Council agenda.

Recommendation

Review the Proposed Budget Correction Plan strategies presented in Attachment A and at the March 23rd meeting, adopt proposals sufficient to address the \$1.3 million General Fund revenue shortfall, which best suits the community needs. The Council's previous policy direction has prioritized budget correction strategies proposals that raise existing revenues or implement new sources of revenues (Attachment A, Schedules B, then D) followed by reduced or eliminated service levels (Attachment A, Schedules C, then D).

Alternatives

1. With direction, refer back to staff for further consideration.

Attachments:

- A. Proposed Budget Correction Plan
- B. Other Strategies

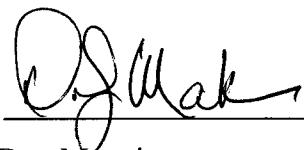
Respectfully submitted,

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City of Belmont
FY 2010 & FY 2011
Proposed Budget Correction Plan

City of Belmont

FY 2010 & FY 2011

Budget Correction Plan Summary

Strategy	Schedule Reference	Amount (Millions)		
		FY 10	FY 11+	
<i>General Fund Structural Gap</i>				
Attributable to Local Economy	A	\$ 1.30	\$ 1.30	-
Total General Fund Structural Gap		\$ 1.30	\$ 1.30	-
<i>Proposed Budget Correction Strategies</i>				
Department Proposed Revenues	B	\$ 0.04	\$ 0.43	
Department Proposed Expenditures	C	\$ 0.86	\$ 1.15	
Entity-wide Proposed Revenues	D	\$ 0.43	\$ 0.43	
Entity-wide Proposed Expenditures	D	\$ 0.21	\$ 0.21	
Total Strategies		\$ 1.53	\$ 2.21	
Difference		\$ 0.23	\$ 2.21	

For Budget Gap

City of Belmont
FY 2010 & FY 2011
Estimated General Fund Revenue Shortfall
Schedule A

	General Fund Economic Impacts
Sales and Use Tax	\$ (663,857)
Transient Occupancy Tax	\$ (291,866)
Motor Vehicle Licenses Fees	\$ (64,212)
HUTA State Gas Tax	\$ (24,145)
Property Transfer Tax	\$ (10,765)
Property Taxes-VLF in Lieu	\$ (167,678)
Contingency for Unknown Shortfalls	\$ (77,477)
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	Estimated Revenue Shortfall
	<hr/>
	Net General Fund Economic Impact
	\$ (1,300,000)

City of Belmont
FY 2010 & FY 2011
Proposed Departmental Revenue Strategies
Schedule B

#	Type	Department	Fund	FY 2010	FY 2011+
Establish a Proposition 218 Administrative Charge for the required administrative tasks associated with these hearings. Utilize the City Clerk staff to research Sewer Easements and create a record of easement ownership to improve efficiency on city projects and in responding to public inquiries.					
Establish a Proposition 218 Administrative Charge for Staff Time Administering Hearings					
B 1	Establish a Proposition 218 Administrative Charge for Staff Time Administering Hearings	City Clerk	101	\$ 3,420	\$ 10,260
B 2	Establish a Chargeback for Enterprise Fund Research	City Clerk	101	\$ -	\$ 19,500
This fee would augment/offset staff resources necessary to ensure that proper public noticing has been prepared for all development review applications, as required.					
B 3	Establish a Public Notice Fee	Comm. Dev.	210	\$ 2,300	\$ 9,200
B 4	Lower the threshold for major complex project designation in the planning department which triggers actual cost vs. standard cost recovery	Comm. Dev.	210	\$ -	\$ 20,000
These measures include a variety of revenue increases in the Recreation Division resulting from the Joint Use Agreement with the Belmont Redwood Shores School District, changes at the Belmont Community Learning Center and the implementation of other revenue generating measures.					
B 5	Enhance Summer Recreation Programs at Ralston Gym and Fox School resulting from JPA with school district	Parks & Rec	205	\$ -	\$ 25,000
B 6	Increase the Number of Students at Belmont Community Learning Center and 5% Enrollment Fee Increase in Fall 2010	Parks & Rec	205	\$ -	\$ 40,000
B 7	Convert the Teen Center at Barrett into a studio for art classes	Parks & Rec	205	\$ -	\$ 4,000
B 8	Establish a Rental Charge for the Belmont Community Players use of Barrett	Parks & Rec	205	\$ -	\$ 20,180
B 9	Change the Facility Use Policy of Daytime Use by Belmont-Based Non-Profits	Parks & Rec	205	\$ -	\$ 2,000
These measures provide multiple revenue generating options by bringing rental of City facilities closer or up to a benchmark rate or changing their current use to other revenue generating facilities.					
B 10	Increase Manor Building Rent to 100% of Benchmark Rate	Parks & Rec	574	\$ -	\$ 40,269
B 11	City rents out the Manor Building for small events	Parks & Rec	574	\$ -	\$ 9,000

City of Belmont
FY 2010 & FY 2011
Proposed Departmental Revenue Strategies
Schedule B

#	Type	Department	Fund	FY 2010	FY 2011+
B 12	a Increase 1870 Art Center rent to 75% of benchmark rate City Reclaiming of Classrooms at 1870 Art Center for recreational classes; b long-term renter such as a private school. The first year includes the cost of basic improvements.	Parks & Rec	574	\$ -	\$ 34,431
B 13	Increase Creekside Studios rent to 75% of benchmark rate	Parks & Rec	574	\$ -	\$ 25,200
B 14	Establish a rental rate for the Cottage Book Nook	Parks & Rec	574	\$ -	\$ 2,888
	Establish a rental rate for the Cottage Book Nook	Parks & Rec	574	\$ -	\$ 2,256
	The proposed corrections for redevelopment area repair of walkways by Services crews and for staff review of development projects proposes City staff to perform work on new or previously contracted out projects to support the City Capital program. Enhanced revenues are proposed to address solid waste collection impacts on City streets by heavy trash collection vehicles and to address new requirements for installation of trash control devices under the newly issued Municipal Regional Permit (MRP). A banner permit fee is proposed to reflect cost coverage for the City Banner program, to provide for oversight at no cost to the City. The proposed corrections for repair of storm drain by Services crews proposes City staff to perform work on previously contracted out projects to support the City Capital program.				
B 15	Establish a Banner Permit Fee (City Hanging of Banners)	Public Works	210	\$ -	\$ 10,000
B 16	Utilize Increase in Collection Vehicle Fee (Garbage Franchise)	Public Works	231	\$ -	\$ 15,000
B 17	Create RDA Capital Improvement Project for Agency-Owned Sidewalk Repair	Public Works	231	\$ 32,361	\$ 32,361
B 18	Utilize Increase in Collection Vehicle Fee (Garbage Franchise)	Public Works	231	\$ -	\$ 5,000
B 19	Sell Thirteen Vehicles-related to C128	Public Works	573	\$ -	\$ 53,000
B 20	Utilize New NPDES Charge (Garbage Franchise)	Public Works	525	\$ -	\$ 22,500
B 21	Utilize City Crews for Small Capital Construction Projects/Emergency Repairs	Public Works	525	\$ -	\$ 30,177
	<i>Total Revenues</i>			<u>\$ 38,081</u>	<u>\$ 432,222</u>

City of Belmont

FY 2010 & FY 2011

Proposed Departmental Expenditure Strategies

Schedule C

#	Type	Department	Fund	Division	Account	FY 2010	FY 2011+
City Attorney							
The City Attorney will bill routine Public Records Act Requests and Collection-Related Activities against the retainer. The Council will be provided with a cost estimate for performing any special tasks prior to the City Attorney undertaking them, including those deemed as a threat of potential litigation. The City Attorney will take an active role in managing outside legal counsel costs as necessary.							
C 1	All routine Public Records Act Requests and collection-related activities will be charged against the retainer.	City Attorney	101	121	8322	\$ 7,800	\$ 15,600
City Clerk							
As Council is aware, the City Clerk's budget is very lean. The bulk of it is salary, benefits, and administrative charges. Reductions in advertising could affect future statutory publication needs. The only line item that can be sustained with major reductions is travel and training, although maintenance of some monies in that account is important for ongoing training, especially for the new Deputy.							
Reduction in allocation for temporary part-time salaries							
C 2	Discontinue Delivery of Council Packets	City Clerk	101	201	8103	\$ -	\$ 9,000
C 3	Postpone On-Line Update (Codification) of the Municipal Code	City Clerk	101	201	8531	\$ -	\$ 500
C 4	Reduce Advertising-could hamper future noticing for future hearings	City Clerk	101	201	8351	\$ -	\$ 1,800
C 5		City Clerk	101	201	8540	\$ 1,000	\$ 1,800
C 6	Elimination of Printing & Binding-contingency for offsite printing needs	City Clerk	101	201	8550	\$ 500	\$ 500
C 7	Reduce Travel & Training-could hamper ability to remain current on topics and new deputy to attend training	City Clerk	101	201	8580	\$ 1,500	\$ 1,500
C 8	Reduce Software Support Level for Questys (Agenda Preparation & Document Management)	City Clerk	101	201	8359	\$ -	\$ 3,949
C 9	Suspension of Membership to the International Municipal Clerks Association (IMC)	City Clerk	101	201	8591	\$ -	\$ 240
C 10	Reduction in 2009 November election costs	City Clerk	101	201	8351	\$ 15,000	\$ -
Total City Clerk						\$ 18,000	\$ 19,289

City of Belmont

FY 2010 & FY 2011

Proposed Departmental Expenditure Strategies

Schedule C

#	Type	Department	Fund	Division	Account	FY 2010	FY 2011+
City Council							
C 11	Reduce Travel & Training available to Council Members	City Council	101	101	8580	\$ 2,500	\$ 2,500
C 12	Reduce Commission Dinner through "do-it-yourself" style	City Council	101	101	8351	\$ 2,000	\$ 2,000
C 13	Eliminate Airport Noise Monitoring Equipment-nothing beyond what currently exists	City Council	101	101	9040	\$ 30,000	\$ -
C 14	Reduce Food for Council Meetings	City Council	101	101	8599	\$ -	\$ 2,500
C 15	Eliminate HEART Membership	City Council	101	101	8591	\$ -	\$ 9,000
C 16	Eliminate Joint Venture Silicon Valley Network Membership	City Council	101	101	8591	\$ -	\$ 1,000
	Total City Council				\$ 34,500	\$ 17,000	
City Manager							
The vacant City Manager position will be filled through Department Heads performing "double-duty" until a permanent replacement is hired; fewer special projects will be performed through the reduction of the part-time employee's hours as well as elimination of interns.							
C 17	Defer Filling Vacant City Manager Position through 6/30/10-Use of Acting Department Heads	City Manager	101	111	Salary/ Benefit	\$ 57,000	\$ -
C 18	Eliminate Spring Newsletter and only issue 1 annual newsletter	City Manager	101	111	8530	\$ 9,000	\$ 8,500
C 19	Reduce Travel & Training	City Manager	101	111	8580	\$ 3,600	\$ 3,200
C 20	Reduce Other Professional Technical	City Manager	101	111	8351	\$ 10,000	\$ 3,100
C 21	Reduce Temporary Part Time Employee Hours	City Manager	101	111	8103	\$ 2,308	\$ 10,000
C 22	Reduce Memberships-ICLEI & Sustainable Silicon Valley	City Manager	101	111	8591	\$ 600	\$ 1,100
C 23	Reduce General Supplies	City Manager	101	111	8610	\$ -	\$ 1,500
	Total City Manager				\$ 82,508	\$ 27,400	

City of Belmont

FY 2010 & FY 2011

Proposed Departmental Expenditure Strategies

Schedule C

#	Type	Department	Fund	Division	Account	FY 2010	FY 2011+
Community Development							
C 24	Reduce Postage/Delivery Services	Comm. Dev	101	903	8531	\$ 800	\$ 500
C 25	Reduce Printing & Binding	Comm. Dev	101	903	8550	\$ 400	\$ -
C 26	Reduce Travel & Training	Comm. Dev	101	903	8580	\$ 400	\$ -
C 27	Reduce Memberships and Dues	Comm. Dev	101	903	8591	\$ 1,000	\$ 500
C 28	Reduce General Supplies	Comm. Dev	101	903	8610	\$ 400	\$ -
C 29	Reduce Planning which would eliminate monies to satisfy Priority Calendar Items	Comm. Dev	101	903	8341	\$ -	\$ 10,000
C 30	Temporary Reduction in Personnel (Employee Election to Reduce Hours)	Comm. Dev	210	904	Salary/ Benefit	\$ 3,300	\$ -
C 31	Reduce Funding for 3rd Party Plan Checks for Specialized Services	Comm. Dev	210	904	8351	\$ 10,000	\$ 7,500
C 32	Reduce Computer Software Licenses	Comm. Dev	210	904	8359	\$ 1,000	\$ 1,000
C 33	Reduce Advertising	Comm. Dev	210	904	8540	\$ 1,000	\$ 500
C 34	Reduce Printing & Binding	Comm. Dev	210	904	8550	\$ 2,000	\$ 1,000
C 35	Reduce Travel & Training	Comm. Dev	210	904	8580	\$ 3,000	\$ 1,000
C 36	Reduce Small Tools	Comm. Dev	210	904	8612	\$ 200	\$ 500
C 37	Reduce Outside Planning Consultant	Comm. Dev	210	905	8341	\$ 10,000	\$ 10,000
C 38	Reduce Outside Arborist and Geotechnical Services	Comm. Dev	210	905	8352	\$ -	\$ 5,000
C 39	Reduce Planning Commission Meeting Stipend	Comm. Dev	210	905	8357	\$ 1,000	\$ 1,000
C 40	Reduce Computer Software Licenses	Comm. Dev	210	905	8359	\$ 1,400	\$ 1,400
C 41	Reduce Contract Environmental Reviews	Comm. Dev	210	905	8366	\$ 7,500	\$ 7,500
C 42	Reduce Repair & Maintenance	Comm. Dev	210	905	8430	\$ 400	\$ -
C 43	Reduce Postage/Delivery Services	Comm. Dev	210	905	8531	\$ 250	\$ -

City of Belmont

FY 2010 & FY 2011

Proposed Departmental Expenditure Strategies

Schedule C

#	Type	Department	Fund	Division	Account	FY 2010	FY 2011+
C 44	Reduce Printing & Binding	Comm. Dev	210	905	8550	\$ 1,200	\$ 600
C 45	Reduce Travel & Training	Comm. Dev	210	905	8580	\$ 800	\$ 500
C 46	Reduce Memberships and Dues	Comm. Dev	210	905	8591	\$ 400	\$ -
C 47	Reduce Miscellaneous	Comm. Dev	210	905	8599	\$ 300	\$ -
C 48	Reduce General Supplies	Comm. Dev	210	905	8610	\$ 4,000	\$ 2,500
C 49	Reduce Small Tools	Comm. Dev	210	905	8612	\$ 250	\$ -
C 50	Reduce Books-Manuals-Subscriptions	Comm. Dev	210	905	8680	\$ 250	\$ -
C 51	Temporary Reduction in Personnel (reassignment to Finance)	Comm. Dev	251	902	Salary/ Benefit	\$ 21,900	\$ -
C 52	Reduce Planning-Applicants	Comm. Dev	251	902	8341	\$ 5,000	\$ -
C 53	Reduce Other Professional Technical	Comm. Dev	251	902	8351	\$ 47,500	\$ -
C 54	Reduce Water (Rental Units)	Comm. Dev	251	902	8411	\$ 5,000	\$ -
C 55	Reduce Repair & Maintenance	Comm. Dev	251	902	8430	\$ 17,500	\$ -
C 56	Reduce Telephone	Comm. Dev	251	902	8532	\$ 500	\$ -
C 57	Reduce Printing & Binding	Comm. Dev	251	902	8550	\$ 1,200	\$ -
C 58	Reduce Travel & Training	Comm. Dev	251	902	8580	\$ 2,500	\$ -
C 59	Reduce Miscellaneous	Comm. Dev	251	902	8599	\$ 1,000	\$ -
C 60	Reduce Natural Gas & Electricity (Rental Units)	Comm. Dev	251	902	8610	\$ 16,000	\$ -
	Total Comm. Dev.					\$ 169,350	\$ 51,000

City of Belmont

FY 2010 & FY 2011

Proposed Departmental Expenditure Strategies

Schedule C

#	Type	Department	Fund	Division	Account	FY 2010	FY 2011+
Finance							
C 61	Reduce Budgeting Software Support, rely on in-house knowledge	Finance	101	501	8351	\$ 9,000	\$ 9,000
C 62	Reduce Legacy Financial System Support	Finance	101	501	8351	\$ 11,500	\$ 11,500
C 63	Reduce Current Financial System Support	Finance	101	501	8351	\$ 15,000	\$ 15,000
C 64	Reduce Offsite Storage	Finance	101	501	8351	\$ 300	\$ 300
C 65	Eliminate Infill CFD	Finance	101	501	8351	\$ 16,000	\$ 16,000
C 66	Reduce CPE License Requirements Travel & Training	Finance	101	501	8580	\$ 1,000	\$ 1,000
C 67	Reduce Audit Costs: Reduction by Auditor and Charge BSCFD	Finance	101	502	8351	\$ 20,000	\$ 7,500
C 68	Reduce Audit Committee Funding	Finance	101	502	8351	\$ 4,000	\$ 4,000
C 69	Reduce Printing & Binding-Increase Electronic Distribution of Financial Reports	Finance	101	502	8550	\$ 1,000	\$ 1,000
C 70	Reduce Travel & Training-1 person to Attend Conferences	Finance	101	502	8580	\$ 3,300	\$ 3,300
C 71	Reduce Travel & Training	Finance	101	503	8580	\$ 1,850	\$ 1,850
C 72	Reduce General Supplies	Finance	101	503	8610	\$ 150	\$ 150
C 73	Eliminate Fuel in Non-Departmental Division	Finance	101	501	8369	\$ 500	\$ 500
C 74	Reduce Repair & Maintenance in Non-Departmental Division	Finance	101	501	8430	\$ 2,800	\$ 2,800
C 75	Reduce General Supplies in Non-Departmental Division	Finance	101	501	8610	\$ 1,750	\$ 1,750
C 76	Reduce Telephone in Non-Departmental Division	Finance	101	501	8532	\$ 500	\$ 500
C 77	Reduce Printing & Binding in Non-Departmental Division	Finance	101	501	8550	\$ 3,900	\$ 3,900
C 78	Reduce Actuarial Study Costs Based on Actual	Finance	571	503	8351	\$ 8,250	\$ -
Total Finance						\$ 100,800	\$ 80,050

City of Belmont

FY 2010 & FY 2011

Proposed Departmental Expenditure Strategies

Schedule C

#	Type	Department	Fund	Division	Account	FY 2010	FY 2011+						
Human Resources													
The Human Resources Department's service levels may diminish with the elimination of short-term and long-term backfilling for absences. The past practice of using an External Chief Negotiator during labor negotiations upcoming with BPOA would be reduced. HR staff will conduct the high level recruitments and other positions to be filled rather than issuing outside consultants.													
C 79	Reduce Temporary Part Time Employee Hours-no backfill for absences	H.R.	101	401	8103	\$ 2,000	\$ 2,000						
C 80	Reduce funding for labor relations consulting services for upcoming BPOA negotiations	H.R.	101	401	8351	\$ 5,000	\$ 5,000						
C 81	Reduce Pre-Employment Services by utilizing in-house abilities	H.R.	101	401	8353	\$ 5,000	\$ 5,000						
C 82	Reduce Advertising by placing basic and more cost-effective advertisements	H.R.	101	401	8540	\$ 5,000	\$ 5,000						
C 83	Reduce City-Wide Training for not mandated courses	H.R.	101	401	8581	\$ 5,500	\$ 5,500						
		Total H.R.		\$ 22,500		\$ 22,500							
Information Services													
The useful life of the majority of equipment will be extended, which more closely mirrors the actual replacement schedule. The Small Tools budget will be reduced assuming more repairs than replacement will occur. While the equipment is new now, this cannot be sustained long-term as equipment failure will occur.													
C 84	Reduce Depreciation by extending the useful life of certain equipment	I.S.	573	301	8419	\$ -	\$ 35,000						
C 85	Reduce Repair & Maintenance by not maintaining Finance Legacy System servers	I.S.	573	301	8430	\$ 1,500	\$ 1,500						
C 86	Reduce Travel & Training by utilizing computer based training to avoid travel costs	I.S.	573	301	8580	\$ 489	\$ 489						
C 87	Reduce Small Tools assuming more repairs than replacements are made	I.S.	573	301	8612	\$ 8,000	\$ 8,000						
		Total I.S.		\$ 9,989		\$ 44,989							

City of Belmont

FY 2010 & FY 2011

Proposed Departmental Expenditure Strategies

Schedule C

#	Type	Department	Fund	Division	Account	FY 2010	FY 2011+
Parks and Recreation							
C 88	Reduce General Supplies	Parks & Rec	101	811	8610	\$ -	\$ 4,564
C 89	Reduce Repair & Maintenance	Parks & Rec	101	811	8641	\$ -	\$ 4,000
C 90	Eliminate Tilt Trailer-Vehicle Usage Charge	Parks & Rec	101	811	8307	\$ 914	\$ 3,655
C 91	Eliminate Toro Reelmaster Mower-Vehicle Usage Charge and use outside services to perform mowing at the Sports Complex	Parks & Rec	101	811	8307	\$ 2,349	\$ 3,159
C 92	Eliminate the Recreation Truck	Parks & Rec	205	820	8307	\$ -	\$ 5,221
C 93	Reduce Telephone	Parks & Rec	205	820	8532	\$ -	\$ 5,500
C 94	Eliminate Travel & Training	Parks & Rec	205	820	8580	\$ -	\$ 3,000
C 95	Reduce General Supplies	Parks & Rec	205	820	8610	\$ -	\$ 3,133
C 96	Reduce Temporary Part Time Employee Hours	Parks & Rec	205	820	8103	\$ -	\$ 8,289
C 97	Eliminate Special Events Program-Other Professional Technical	Parks & Rec	205	821	8351	\$ 2,250	\$ 9,000
C 98	Eliminate Special Events Program-Advertising	Parks & Rec	205	821	8540	\$ 1,000	\$ 4,000
C 99	Eliminate Special Events Program-General Supplies	Parks & Rec	205	821	8610	\$ 2,500	\$ 10,000
C 100	Eliminate Recreation Specialist and transfer remaining salary costs to other divisions	Parks & Rec	205	821	8103	\$ 19,314	\$ 77,256
C 101	Reduce Temporary Part Time Employee Hours	Parks & Rec	205	823	8103	\$ -	\$ 6,456
C 102	Reduce Custodial Services at Library	Parks & Rec	206	801	8423	\$ -	\$ 4,524
C 103	Reduce Repair & Maintenance at Library	Parks & Rec	206	801	8430	\$ -	\$ 4,980
C 104	Eliminate Contract for City Hall Interior Plants	Parks & Rec	574	801	8424	\$ 1,500	\$ 3,000
C 105	Reduce Custodial Services at City Facilities including City Hall	Parks & Rec	574	803	8423	\$ -	\$ 9,950
C 106	Reduce Repair & Maintenance at City Facilities including City Hall	Parks & Rec	574	803	8430	\$ -	\$ 5,339
	Total Parks & Rec					\$ 29,827	\$ 175,026

City of Belmont

FY 2010 & FY 2011

Proposed Departmental Expenditure Strategies

Schedule C

#	Type	Department	Fund	Division	Account	FY 2010	FY 2011+
Police							
C 107	Defer Filling Vacant Police Officer Position	Police	101	601	Salary/ Benefit	\$ 57,232	\$ 131,591
C 108	Reduction in overtime for special events	Police	101	601	8111	\$ -	\$ 10,000
C 109	Reduce Travel & Training	Police	101	601	8580	\$ 18,000	\$ 18,000
C 110	Eliminate SWAT Van	Police	101	601	8307	\$ 10,443	\$ -
C 111	Reduce Safety Equipment	Police	101	601	8613	\$ 10,000	\$ -
C 112	Reduce Booking Fee	Police	101	601	8312	\$ 4,000	\$ 4,000
C 113	Cancel Order of Admin Car (Prius) (Estimated Vehicle Usage Charge Savings)	Police	101	601	8307	\$ 5,200	\$ 5,200
C 114	Eliminate Admin Car #124 (Vehicle Usage Charges Savings)	Police	101	601	8307	\$ 7,310	\$ 7,310
C 115	Eliminate Traffic Car #110 (Vehicle Usage Charges Savings)	Police	101	601	8307	\$ 10,443	\$ 10,443
C 116	Defer Backfill of Injured Community Services Officer	Police	101	602	Salary/ Benefit	\$ 18,938	\$ 45,451
C 117	Restructure Juvenile Diversion Activities (bring in-house with current resources)	Police	101	602	8351	\$ -	\$ 35,000
C 118	Defer Filling Vacant Lead Dispatcher Position	Police	101	604	Salary/ Benefit	\$ 47,226	\$ 113,342
C 119	Reduce Communications	Police	101	604	8530	\$ 10,000	\$ 10,000
C 120	Reduce Fuel	Police	101	601/602	8639	\$ 5,000	\$ 5,000
	Total Police				\$ 203,792	\$ 395,337	

City of Belmont

FY 2010 & FY 2011

Proposed Departmental Expenditure Strategies

Schedule C

#	Type	Department	Fund	Division	Account	FY 2010	FY 2011+
Public Works							
The Fleet Management Division will reduce vehicle procurement, potentially resulting in additional repair costs and an overall reduction of 13 vehicles is planned, which will generate revenue from the sale. The Development Engineering Division will reduce outside support by utilizing in-house staff for simple development projects. The Transportation Programs Division will reduce traffic calming and speed hump installation.							
C 121	Defer filling Vacant Public Works Director Position from 3/19 through 6/1/10-use of Acting Department Heads	Public Works	Var	Var	Salary/ Benefit	\$ 42,288	\$ -
C 122	Reduce Other Professional Technical	Public Works	210	780	\$ 8351	\$ 14,768	\$ 14,768
C 123	Reduce Other Professional Technical	Public Works	231	701	\$ 8351	\$ 987	\$ 987
C 124	Reduce Repair & Maintenance	Public Works	231	750	\$ 8430	\$ 15,000	\$ -
C 125	Reduce Small Tools	Public Works	231	750	\$ 8612	\$ 15,000	\$ -
C 126	Reduce Other Professional Technical	Public Works	231	752	\$ 8351	\$ 8,295	\$ 8,295
C 127	Reduce Safety Equipment based on current needs	Public Works	525	720	\$ 8613	\$ 2,677	\$ -
C 128	Reduction in Vehicle Replacements Scheduled	Public Works	573	740	\$ 9041	\$ 85,000	\$ -
C 129	Reduce City's Fleet by 13 Vehicles	Public Works	573	740	\$ 8419/	\$ -	\$ 31,780
C 130	Reduce Machinery and Equipment	Public Works	573	740	\$ 8430	\$ -	\$ 5,000
Total Public Works						\$ 184,015	\$ 60,830
Subtotal Department Reductions						\$ 863,081	\$ 909,021
Transfers							
C 131	Modification of Community Development Employees to Housing Activities	Comm. Dev	210	Various	Salary/ Benefit	\$ -	\$ 107,000
C 132	Police Officer Funded by RDA through restructuring of beats	Police	101	601	Salary/ Benefit	\$ -	\$ 131,591
Subtotal Department Transfers						\$ -	\$ 238,591
Total						\$ 863,081	\$ 1,147,612

City of Belmont
FY 2010 & FY 2011
Entity-Wide Strategies
Schedule D

Projected Annual

Revenue

Assumptions/Comments

#

Type

Entity-Wide Revenues

D 1	2% Increase Transient Occupancy Tax (TOT) [requires voter approval 50% +1]	\$ 220,971	Based on FY 2010 Budget Correction Strategy-10% increased to 12% tax.
			12% Cities: Brisbane, Burlingame, East Palo Alto, Half Moon Bay, Millbrae, San Mateo
			10% Cities: County of San Mateo, Daly City, Menlo Park, Pacifica, Redwood City, San Carlos, South San Francisco
D 2	Establish a 50/50 Maintenance Assessment District. This creates an assessment district across all improved property that devotes 50% of the proceeds to Street Light Electricity and 50% to Parks for watering of parks and fields for the purposes of improving the condition of roadways and public landscaping [requires majority voter approval and benefit assessment study by engineer]	\$ 206,375	Assumes a \$25 per improved property assessment. Parcel allocation may vary based on benefit received based on engineering study. Subject to Prop 218 assessment balloting procedures.
			The County administers 12 Lighting District throughout the County, Brisbane, Redwood City.
Total		\$ 427,346	

Total \$ 427,346

City of Belmont
 FY 2010 & FY 2011
 Entity-Wide Strategies
 Schedule D

Type	Projected Annual Savings	Assumptions/Comments
<i>Entity-Wide Reductions</i>		
D 3 Extend the Holiday Closure an additional 5 days for non-shift workers	\$ 134,395	Subject to Meet & Confer. Currently, City Hall is closed 5 days.
D 4 Extend the furlough an additional 5 days for shift workers	\$ 71,523	Subject to Meet & Confer. Currently, City Hall is closed 5 days.
<i>Total</i>	\$ 205,919	

City of Belmont
FY 2010 & FY 2011
Other Strategies

City of Belmont

FY 2010 & FY 2011

Other Strategies

Strategies	Subject To:	Projected Annual Savings
1	Implement voluntary work schedule reduction program and institute job-sharing as part of any voluntary work schedule reduction program	City Council Approval Unknown
2	Through attrition, consolidate and reorganize functions where possible to achieve personnel savings	City Council Approval Unknown
3	Consider 2-year Early Retirement Service Enhancement for Select Positions, which could be consolidated or reorganized to other existing positions. This strategy assumes the position is permanently vacated. The cost is 4% of PERS-able compensation for the individual selected.	City Council Approval Unknown
4	2.6% Across the Board Deferral of COLA for FY 2011 and 2012	Meet & Confer \$ 405,898
5	Two Year Suspension of the Merit/Longevity Pay for FY 2011 and 2012	Meet & Confer \$ 120,404
6	Continuation of Existing Suspension of Department Head Bonuses for FY 2011 and 2012	Meet & Confer \$ 104,344
7	Establish an Alarm Monitoring and Response Program. Currently Atherton and Hillsborough have a similar program. The Finance Commission has had a preliminary discussion on this topic. This item will be added to the Priority Calendar.	City Council Approval Unknown

City of Belmont

Common Operational Strategies Deployed by Other Agencies Information Only

Type	Charge
Utility Users Tax	
Daly City	5.0%
East Palo Alto	5.0%
Menlo Park	1.0%
Pacifica	6.5%
Portola Valley	4.5%
Redwood City	5.0%
Property Transfer Tax (other than standard \$0.55)	
San Mateo	5.0%
Parcel Tax (non-school)	
Atherton	\$750/parcel
County of San Mateo	\$65/parcel
San Carlos	\$6/parcel
Sales Tax Add-On	
San Mateo	1/4 cent
Business Improvement District	
Burlingame	Fees vary

**City of Belmont
Common Operational Strategies Deployed by
Other Agencies
Information Only**

Two Tier Retirement Plan (Miscellaneous)		2nd Tier
Brisbane	2.7% @ 55	2.0% @ 60
San Carlos	2.7% @ 55	2.5% @ 55
South San Francisco	2.7% @ 55	2.0% @ 60